

# NETWORK!

FOR PEOPLE IN THE NETWORK SYSTEMS BUSINESS OF LUCENT TECHNOLOGIES

## Network Systems Helps Restore Communications in Flood-Ravaged Poland

When the Polish Embassy in the Netherlands asked Lucent to help restore communications knocked out by massive flooding, the people of Network Systems Poland responded immediately. Like much of central and eastern Europe, Poland has been literally swamped by the worst floods in recent memory. Some 180,000 people have been evacuated from their homes and more than 130 bridges have been washed away. In Wroclaw, for instance, water rose 2.5 meters above street level, damaging the cable infrastructure and compromising vital communications.

After receiving the request for help, Stan Szuder, vice president, Network Systems Customer Business Unit Poland, knew that time was of the essence. As water seeped into the cable infrastructure of Poland's main operator, TPSA, paralyzing much of the country's communications network, Szuder set up an emergency team of engineers. As a result of their work, Lucent was able to deliver a 48-hour response to TPSA on all flood damage reconstruction requests.

Although TPSA is embarking on a full-scale reconstruction operation, the country will be without reliable communications for several months. To

Continued on page 5

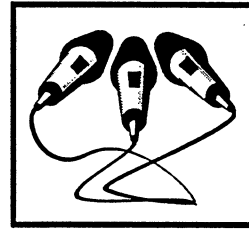


## Live From Lisle-Naperville: Network Systems Employee Broadcast

More than two thousand Network Systems employees gathered on the lawn of the Lisle-Naperville, Ill., facility this week for the Network Systems' quarterly broadcast. During the broadcast NS President Dan Stanzione highlighted Network Systems' business hot streak, the need for superb execution, and the recent installation of the 100 millionth 5ESS®-2000 Switch line.

"I'd like to congratulate and thank each and every one of you for your role in what has turned out to be a superb quarter," said Stanzione. "We just closed the books for July and it was a record month as well. Year to date our revenues also are well ahead of plan. You can look at every part of our business and find examples of where we're expanding relationships with existing customers, building relationships with new customers in new markets, and growing our business globally."

Stanzione added that our revenues were driven primarily by sales of switching and wireless



systems, along with associated software, and by sales of fiber-optic cable and professional services. "We are clearly on track to another record-breaking year," he said.

### Our Challenge: Flawless Execution

He reminded the audience that Network Systems should not only celebrate its hot streak but also focus on our next challenge, flawless execution. "We cannot seize our market opportunities unless we execute superbly for all of our customers, day-in and day-out, week-in and week-out," said Stanzione. "This is a never-ending journey that demands constant attention to detail, the right attitude, a sense of urgency and the ability to really respond quickly. All it takes is one misstep—a major outage, a single miss in a delivery or a new development—and customers could easily look elsewhere for their future purchases. Today's marketplace, in addition to being fiercely competitive, is also fiercely unforgiving."

Continued on next page

August 14, 1997 Vol. 6 / Issue 35

### What's Inside -

- 2.... NS Celebrates Milestone
- 2.... NS in the News
- 3.... GPS Training Center
- 3.... Cable Contract

- 3.... PCS Milestone
- 4.... Industry Briefing
- 5.... Of Interest

## Around NS

### Employees Celebrate a Milestone

NS employees enjoyed concerts and a picnic in Lisle/Naperville, Ill., attended a rally and employee musical performances at the Oklahoma City Works, and participated in workshops and celebrations in



Qingdao, China to celebrate the significant 5ESS® Switch milestone: the installation of the 100

millionth line in Qingdao, China.

The first 5ESS Switch was installed in 1982 in Seneca, Ill., for Ameritech to serve about 1,300 customers. Today, the switch boasts many additional winning features:

- Deployed in 52 countries worldwide and can support up to 200,000 lines;
- Has the least amount of downtime of any switch in its class in the industry;
- The only switch in the industry that delivers wireline, wireless, voice, data, and video services on the same platform;
- Capable of handling about 1 million calls during busy hours.

Research and development, product management and marketing, and technical support for the 5ESS Switch takes place at the Lucent Lisle-Naperville, Ill., campus. The switch is manufactured at Lucent's facilities in Oklahoma City and Qingdao.

For more information about the 5ESS AnyMedia Switch, contact Cheryl Dagen (630-224-2388; [dagen@lucent.com](mailto:dagen@lucent.com)) or visit the website <<http://www.lucent.com/netsys/5ESS>>.



## NS Broadcast Continued from page 1

Policy Deployment, he added, drives our approach to executing well for our customers. Voice of the Customer helps us identify and resolve customer issues, and Quality Improvement Teams have been formed to work on a variety of issues affecting customers, complementing projects Cheetah and Lightning.

### The Celebration

The broadcast focused on celebrating the 100th million 5ESS® Switch line installation in Qingdao, China. Now 100 million phone, fax or data lines around the world are being served by the 5ESS Switch. Video clips were rolled about the installation celebration in China and the switch's history and features.

Guest speaker Joe Luby, Network Reliability and Security general manager for Ameritech, the first 5ESS Switch customer, spoke to the audience about the excitement of the installation of the first 5ESS Switch. "Since this successful start," Luby said, "Ameritech has added more switches and has

journeyed together with Lucent through the challenges and successes of being pioneers of new technology." His opinion as to what Lucent can do to have not great but "totally awesome" customer service: "Work together with the customer to give us what we need, not just what we ask for; deliver in a timely and error-free way that continually delights the customer's feelings about the service/product; and then repeat this to build loyalty."

Jim Styring, Global Provisioning and Manufacturing Vice President of the Oklahoma City Works (the U.S. manufacturing location of the 5ESS Switch) and employees from this location also joined the broadcast via two-way satellite, in celebration of the Network Systems milestone.

Stanzione concluded the broadcast while planes soared above scripting the Lucent logo in smoke, "We'll be able to celebrate again—this time not in 15 years, but in just five more years—the installation of the next 100 millionth line of 5E."

— Elizabeth Gill □

## NS in the News

### Oklahoma City Plant

[Lucent Technologies' Oklahoma City plant,] which makes Lucent's 5ESS® telecommunications switch for routing and handling calls, in 1996 had record sales that exceeded \$2 billion. Lucent's Oklahoma City presence also is expanding as the company is now building a new \$12 million, 57,000-square-foot "customer care center" near Quail Springs Mall. The center, to open next year, will create about 400 jobs. (*Knight-Ridder/Tribune Business News, August 7*)



### Naperville in the News

"The cornerstone of the system [for the recent Lucent/Ameritech deal] is the 5ESS®-2000 switches," said Bob Sellinger, Lucent's director of personal communication systems in Naperville. "The research and development were done here in Naperville. Additionally, the applications for the wireless portion of the contract are developed exclusively by Lucent Technologies in the Chicago area." The company will also be providing Ameritech with technical support worldwide. "Thousands of jobs are connected with this contract," Sellinger reported. (*Naperville Sun, August 8*)

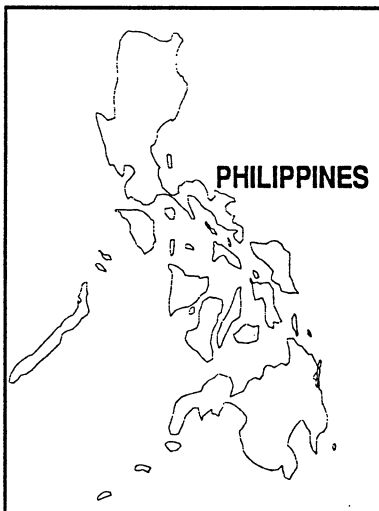
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## NS Announces

### **Lucent Technologies Approves Its First GPS Training Center in Philippines**

Lucent Technologies has named AMA Computer College as its training partner for Lucent's Global Private Systems (GPS) unit, making AMA Computer College Lucent's first GPS training center in the Philippines. AMA, the largest computer college in the Philippines, will provide installation training for Lucent's SYSTIMAX® Structured Connectivity Solution.

The agreement gives Filipino IT (Information Technology) professionals access to world-class training materials and teaching aids in structured cabling systems. GPS has trained and certified AMA Computer College instructors to deliver the training. Availability of these courses in the Philippines will reduce the cost of training for companies planning to implement networks in the Philippines, as well as ensure the high quality design and installation practice critical to the performance of structured cabling systems.



### **Lucent Technologies Announces \$11.1 Million Fiber Optic Cable Contract in India**

Lucent Technologies' joint venture with Finolex has won a \$11.1 million order from Bharti Telenet to manufacture and supply the optical fiber cable for Bharti's basic telecommunications services project in the state of Madhya Pradesh. Located in central India,



Madhya Pradesh is the nation's largest state. Bharti's project is scheduled for completion at the end of 1998.

Under the terms of the contract, the joint venture between Lucent and Finolex will supply both armored cable—cable with an external sheath for added protection—and non-armored cable to Bharti.

The joint venture between Lucent and Finolex, located in Village Urse, Pune, has a state-of-the-art plant which began operations in January this year to manufacture and market international grade, dielectric and armored fiber optic cables to a fast growing Indian telecommunications market.

### **Lucent First to Reach Milestone of 5,000 PCS Base Stations Using CDMA Technology**

Shipping systems at a rate faster than any of its CDMA (code division multiple access) competitors, Lucent Technologies has established the lead in this digital wireless technology by shipping the 5,000th wireless minicell base station from Network Systems' Product Realization Center in Mt. Olive, New Jersey. Lucent is the first to achieve this milestone among North American CDMA vendors.

The base station is being installed in Korea by Hansol PCS Telecom, one of Korea's three licensed nationwide PCS service providers. The project, worth \$93 million, was awarded to Lucent and Hanwha Telecommunications Co. Ltd. The network will serve the areas of Pusan and Taegu, Korea's second and third largest cities, and the rest of Kyungsang Province. The CDMA minicells are designed for rapid deployment and can be installed in about half a day. □

## In the News

Continued from previous page

### **Lucent Stock after Ameritech Pact**

Commenting on the lack of a more significant gain following the Ameritech deal, Hambrecht & Quist analyst Joe Noel said that Lucent's stock price is "pretty expensive at \$85" considering that it traded at \$35 earlier this year. "The expectation among investors is that Lucent is going to walk away with the majority of these wireless deals, so the stock action isn't that great," Noel said. (*Reuters News Service, August 5*) □

# Industry Briefing

## About Our Competition...

### Alcatel and Motorola

- **Win in India**—India's Bharti Telenet has awarded contracts worth nearly \$100 million to Alcatel and Motorola in its drive to build the country's first private basic phone network. (*New Delhi Newsroom, August 10*)

### Cisco

- **Cisco Acquires Dagaz**—The longtime merchant of routers and switches for computer networks [Cisco] agreed to acquire the high-speed data-over-phone-line technologies and engineering staff of Dagaz Technologies Inc. for approximately \$108 million in cash and another \$16.5 million in Cisco stock. Analysts said the move is designed to improve Cisco's entry into the market for supplying network gear to telephone carriers. (*Inter@ctive Week, August 4*)

### Ericsson, Nokia, Nortel, Siemens

- **Job Won by Consortium**—Viag Interkom GmbH & Co. awarded fixed- and mobile-phone infrastructure contracts totaling \$532 million to a consortium including Siemens, Nokia, Northern Telecom, Deutsche Aerospace, Robert Bosch and Telefon AB LM Ericsson. (*The Wall Street Journal via Dow Jones, August 7*)

### Nortel

- **Nortel Win in Dominican Republic**—Nortel (Northern Telecom) has signed a two-year, multi-million dollar agreement with the largest telephone company in the Dominican Republic, GTE-owned CODETEL, to upgrade a major portion of the Dominican Republic telephone network. (*PR Newswire, August 7*)

- **Nortel Win in Brazil**—Northern Telecom has clinched a \$200-million deal to help build a wireless telephone system in Brazil. (*AP-NY, August 12*)

- **Nortel Sells Its Connectors Business**—Nortel announced an agreement to sell its connectors business to Framatome Connectors Canada Inc. (*Reuter, August 7*)

## About Our Customers...

### Ameritech

- **Ameritech Moves Out of China**—Two years after opening its office in Beijing, Ameritech said it will pull out of China, closing its venture there. (*Chicago Tribune via Dow Jones, August 12*)

### Bell Atlantic/Nynex

- **Bell Atlantic/Nynex Deal Approved**—The Federal Communications Commission approved the \$23 billion merger of Bell Atlantic and Nynex, as expected, but FCC Chairman Reed Hundt said the formal approval set guidelines that will make it tougher for such mergers to pass regulatory muster in the future. Mr. Hundt said the guidelines lay out an analytical framework that will make it increasingly difficult for regulators to approve mergers between Baby Bells such as Bell Atlantic and Nynex, or between Bells and big long-distance carriers such as AT&T. (*The Wall Street Journal, August 15*)

## About the Industry...

- **FCC Ruling**—The Federal Communications Commission issued tough new rules to cut the \$5.4 billion that U.S. telephone companies pay to foreign carriers to complete their calls. Reed Hundt, the chairman

of the FCC, said that the rules would help reduce the average cost of an overseas call to 20 cents a minute from 88 cents a minute over six years. (*NY Times News Service, August 8*)

- **New European Mobile Standard**—Ericsson, Nokia, Siemens and Alcatel yesterday threw their weight behind a new European standard for next-generation mobile telephones. The move raised the stakes in a trans-Atlantic battle in the cellular telecom market between rival European and North American suppliers competing to supply the technology which will eventually succeed Global System for Mobile Communications (GSM). The four European groups pledged support for a new wideband system called Universal Mobile Telecommunications System (UMTS), which is capable of supporting mobile transmission of data and multimedia applications such as the Internet and e-mail. Compared to the wideband system, GSM has less capacity to transmit data. However, UMTS faces competition from companies such as Lucent and Nortel, which support alternative standards. (*Financial Times [London], August 15*)

- **Self-Aware Network**—Dynamic network operations is a new paradigm that relies on the network as the primary source of critical information. [The technology] will enable carriers to begin asking their equipment "who are you?" "what is your status?" and "to whom are you connected?" Armed with data that is far more accurate than what could be obtained through the traditional approach, carriers will be able to provision services faster—with the assurance that the resources are where they are supposed to be. (*Telephony, August 4*)

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## Industry Briefing

Continued from previous page

• **Wireless Boom**—The wireless telecommunications industry is expected to grow into a \$100 billion business in 10 years, according to the latest estimates of Paul Kagan Associates. By 2007, an estimated 161 million people (more than 53 percent of the U.S. population) are expected to be mobile wireless—cellular, PCS or Enhanced Specialized Mobile Radio (ESMR)—subscribers. (*Business Wire via Dow Jones, August 7*)

• **Where Will Wireless Be?**—Seven percent of world subscriber lines will be accessed through wireless local loop (WLL) technologies by 2002 according to a report about to be published by Allied Business Intelligence. Developing nations will have 84 percent of the world's WLL subscribers by 2006. Asia and Latin America will be the two largest potential regional markets. By 2006, 68 percent of WLL subscribers will be located in urban areas. (*PRNewswire, August 12*) □

## Poland

Continued from page 1

help alleviate this situation, Szuder and Network Systems President Dan Stanzone recently met with two of the board members of TPSA and offered the operator \$250,000 worth of equipment on behalf of the Network Systems Europe/Middle East/Africa region. The offering will re-establish essential communications links for some 300 subscribers while bridges and cabling networks are reconstructed.

“Lucent has co-operated with TPSA for almost eight years,” said Szuder. “Seeing the huge losses that TPSA now faces as a result of the flooding, we decided to join the relief effort, and so help people whose means of communication with the world have been virtually cut off by the flooding.”

— Daisy Turville-Petre □

## Of Interest

### Changes To U.S. Management Benefits Plans

The Lucent Technologies Board of Directors has approved a number of significant changes to benefits plans for management employees in the United States. The pension plan changes become effective Jan. 1, 1998, as do several other changes to the U.S. management 401(k) savings plan and health care programs. A “Compensation & Benefits News—Special Report,” covering pension and savings plan changes as well as medical plan changes, will be mailed to the homes of U.S. management employees beginning Aug. 22.

### Make Your Voice Heard

Keep your eyes open and your pencils sharpened—the 1997 Global Network Systems Opinion Survey, Value in People (VIP) survey, is on the way. By spending only 15-20 minutes to complete the survey, Network Systems employees can help identify areas where we need to focus to make this a high performance operating environment.

If you do not receive a survey by August 22, let your



manager or Human Resources contact know so a survey can be sent to you immediately.

### Systemax Catalog Database Online

The entire SYSTIMAX® product line is now available online, outside the firewall. So, anyone can access product information, browse as an anonymous guest, or register to use the Quote List function — anytime, for free. Find the SYSTIMAX Product Catalog Online Database at <<http://www.lucent.com/netsys/systemax/catalog1.html>>. For additional information contact Aileen Evans (973-581-4185 or [aileenevans@lucent.com](mailto:aileenevans@lucent.com)).

### Mark Your Calendar

The Lucent Day of Caring will be on Saturday, September 20, 1997. □

### Letters to the editor

**NETWORK!** will publish signed letters as space permits — reserving the right to edit for clarity. Please include your name, work location, and a contact number where we can reach you. Opinions expressed in the Letters section do not necessarily reflect the views of Network Systems management. See our contact information below.



## NETWORK!

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